



AEROSPACE ACQUISITION 2000

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Air Force Wins Two DoD Packard Awards

by Ms. Lauri Smith, SAF/AQXA

Washington — Each year, the Department of Defense (DoD) recognizes DoD civilian and/or military organizations, groups, or teams who have made highly significant contributions that demonstrate exemplary innovation and best acquisition practices. The David Packard Excellence in Acquisition Award is the DoD's premiere acquisition award and is presented annually to a very select number of teams. During this year's Acquisition & Logistics Reform (A&LR) Week, Dr. Jacques S. Gansler, Under Secretary of Defense (Acquisition & Technology), awarded five Packards.

Two of these prestigious awards went to Air Force teams: the Evolved Expendable Launch Vehicle (EELV) Program Team and the Hunley Park Mili-

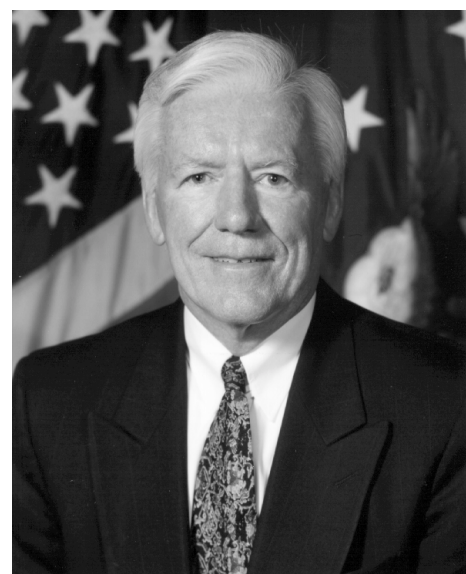
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Dr. Lawrence J. Delaney Named New Assistant Secretary of the Air Force for Acquisition

"I am extremely pleased to be here and a part of this winning AQ team. The millennium challenge is to function as an integrated AQ team, building the world's premier aerospace force — globally engaged securing American interests. I know you are up to the challenge." So began Dr. Lawrence Delaney in his first AQ Call.

Thanks to an accelerated confirmation process, Dr. Lawrence J. Delaney was sworn in as the Assistant Secretary of the Air Force for Acquisition in late May. A 1957 graduate of Clarkson University where he earned a Bachelor of Chemical Engineering degree, Dr. Delaney also holds a PhD in Chemical Engineering from the University of Pennsylvania.

A senior executive with 38 years of international experience in high technology program acquisition, management,



Dr. Lawrence J. Delaney, Assistant Secretary of the Air Force for Acquisition.

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Leading and Embracing Change — A New Millennium!

Air Force Wins Two Packard Awards

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tary Family Housing Renovation Team.

These two Air Force teams represent both ends of the acquisition spectrum. EELV is a multi-billion dollar weapon system program. The Hunley Park Military Family Housing Renovation is a two-phase, \$16 million base construction project. Despite their dollar and programmatic differences, the teams shared a common result: innovative strategies.

During the 8 June ceremony, Col Richard McKinney (the former EELV System Program Director) and Col Robert Saxer (the current EELV System Program Director) accepted the Packard Award. The EELV Program began with a vision of revolutionizing the government's procurement of space launch vehicles. The objective of the EELV Program is to reduce the cost of space launch by at least 25% by developing and fielding the next generation of medium and heavy lift expendable launch vehicles.

The EELV team tailored acquisition reform initiatives to continue competition over the life of the program, integrated military and commercial practices, and reduced Total Ownership Costs. EELV began with a one-page Statement of Objectives, a lean 67-person Program Office, and the goal of forming government-industry alliances to create a dual-use national launch system. As they successfully utilized electronic commerce initiatives to streamline the acquisition process, the EELV Program team led the way in establishing an electronic source selection capability that now serves as the Air Force model.

In October 1998, EELV awarded two launch services contracts and signed

The EELV Program is developing a commercial and government launch capability while achieving a 31% Reduction in Total Ownership Costs for an estimated savings of \$6.2 billion through 2020.



The Hunley Park Military Family Housing Renovation Team accepts their DoD Packard Award from Dr. Jacques S. Gansler, Under Secretary of Defense (Acquisition & Technology) and Dr. Lawrence J. Delaney, Assistant Secretary of the Air Force (Acquisition).



The Evolved Expendable Launch Vehicle (EELV) Program Team accepts their DoD Packard Award from Dr. Jacques S. Gansler, Under Secretary of Defense (Acquisition & Technology) and Dr. Lawrence J. Delaney, Assistant Secretary of the Air Force (Acquisition).

two innovative partnering agreements with their two prime contractors, Lockheed Martin Aerospace and The Boeing Company. In true industry-government partnering, the two contractors will each invest approximately \$1 billion of their own development money after receiving \$500 million from the government. These partnering agreements allow the government and industry to share the costs, risks, and benefits of de-

veloping new systems and concepts. The first commercial EELV launch is planned for 2001 with the first government launch following in 2002. The EELV Program took a new approach to launch vehicle procurements by purchasing launch services instead of hardware. The contractors will lease government land and launch facilities, thus sharing

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Dr. Delaney

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and engineering, Dr. Delaney has focused on space and missile systems, information systems, propulsion systems, and environmental technology.

In March 1992, he was appointed Vice Chairman of the National Academy of Sciences Board on Army Science and Technology. Dr. Delaney, who is fluent in German, completed in 1997 a three-year contract as Managing Director, BDM Europe (Berlin), the European holding company for BDM International, Inc., where he was a Corporate Vice President. He was at the same time Senior Vice President and Group Manager of the Environmental and Management Systems Group at IABG, a 1,400-person high technology services firm in Munich/Ottobrunn, Germany, which was privatized by BDMI in 1993. Beginning in 1992 as a consultant to BDMI, Dr. Delaney led the initial team in the privatization process.

During the May AQ Call, Dr. Delaney outlined his vision for AQ. According to

Dr. Delaney, "To meet the challenges of 21st Century acquisition, Air Force acquisition must be tailored to meet a broad range of options. The need for change is accentuated by the budget environment we live under today. Expeditionary Aerospace Force and the core competencies are the launch pad for our transitioning approach. The Air Force Board of Directors has put a lot of effort into articulating our mission and vision. Responsible stewardship is a key contribution across all core competencies. Now we must focus on *the efforts* needed to extend our position as the world's dominant aerospace power."

Dr. Delaney went on to say that successful transition will depend on three things: pioneering program management, acquisition reform, and a viable, focused Science and Technology program. He explained, "By pioneering program management, I mean that I will look to our program managers to be prudent risk takers, aggressive in implementing acquisition reform. AQ has been at the forefront of acquisition reform, setting the pace via the Lightning Bolts. We will continue to accelerate the trend to more business-like

processes. The current status of the Air Force S&T program was a hot topic during my confirmation process. Today's tight budget environment forced the Air Force to make tough decisions. While we recognize and appreciate the impact of S&T on current warfighting capability, we must make the S&T investment today to ensure tomorrow's dominance. We must also look for innovative ways to demonstrate the value of today's S&T investments."

In closing, Dr. Delaney said, "We have some critical partners to assist us in attacking these challenges. We must work closely with the warfighters to nail down requirements early on and remain focused on keeping the product affordable. Recent successes such as with the Evolved Expendable Launch Vehicle program clearly illustrate the tremendous benefits of partnering with industry. And finally, we must be open and honest with Congress, keeping them informed on program matters."

"If we keep in mind that 'None of us is as good as all of us,' our team spirit will allow us to continue to do great things."

Air Force Wins Two Packard Awards

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the cost of operating and maintaining the Air Force launch bases. Through the implementation of these and other initiatives, the EELV Program is developing a commercial and government launch capability while achieving a 31% Reduction in Total Ownership Costs for an estimated savings of \$6.2 billion through 2020.

Lt Col Craig Armstrong, 437th Contracting Squadron Commander, accepted the Air Force's second 1998 Packard Award on the behalf of the 437th Airlift Wing.

The Hunley Park Military Family Housing Renovation Team used an Integrated Product Team approach to bring together experts from many functional areas including contracting, civil engineering, architecture, contract law, and

financial, construction, and housing management. The team developed innovative options that allowed for phased renovations to accommodate uncertain funding. Their concurrent design schedule and early industry involvement enabled the Hunley Park Team to cut their acquisition lead-time by 211 days – a 60% faster implementation.

The Hunley Park Renovation Team cut their acquisition lead-time by 211 days - 60% faster implementation.

During their source selection, this team used a performance-based evaluation process. The team selected a best-value contractor based both on price and past performance – a first for a contract of this size within Air Mobility Command. The firm-fixed price contract award to a low-risk, best-value company

was nearly \$900K below the government's estimate. The Hunley Park Team continued their openness with industry during post-award debriefings.

In the solicitation, the Hunley Park Team stated that construction would temporarily halt after the renovation of three units. This allowed the team to examine hidden structural problems, modify the contract, and adjust progress schedules for the remaining units. After renovating these three prototype units, the Hunley Park Team also held a Parade of Homes. They invited military families to tour the model homes and provide customer suggestions.

Before the renovation of the 74 phase-one homes continued, the team evaluated the 90 safety and enhancement ideas provided by the military families. They were able to incorporate 44 improvements in the 71 remaining phase-one homes at an additional cost of only

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Lightning Bolts Update

Lightning Bolts '99 Making Rapid Improvements

The April 23, 1999, Lightning Bolts '99 Rollout ceremony broadcast the new initiatives directly to the workforce. High on impact, energy, and personalities, the ceremony was a powerful point of departure for the new Lightning Bolt initiatives. Following are highlights from the broadcast and corresponding ceremony.

Washington — Lightning Bolts '99 are the high-visibility, high-impact, reform initiatives making rapid and long-lasting improvements to current Air Force business practices. While the benefits are realized throughout the Service, the initiatives specifically target the acquisition and sustainment culture and serve to develop binding ties with industry partners.

The room rocked with the crackle of thunder and the flash of lightning as the ceremony opened with a video showcasing each of the seven Lightning Bolts. Air Force personnel from every level described the Lightning Bolts, what Lightning Bolts do and how they will help. Need a refresher? Visit the SAF/AQ web site at http://www.safaq.hq.af.mil/acq_ref/bolts99/ to get reacquainted.

A roundtable discussion following the video provided the audience with an insider's view of top acquisition leaders' thoughts on the new initiatives. The panel was comprised of Mrs. Darleen A. Druyun, Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management, and experts including Mr. Stan Soloway, Deputy Under Secretary of Defense (Acquisition Reform); Maj Gen Claude Bolton, PEO/FB; Mr. Tim Beyland, Associate Deputy Assistant Secretary of the Air Force (Contracting); and Mr. Hansel Tookes, President, Large Military Engines, Pratt & Whitney.

Mrs. Druyun said the "acquisition workforce has done a tremendous job over the last four years. The purpose of the next set [of Lightning Bolts] is to get down into the next layer." Maj Gen Bolton agreed that "what we really need to do...is to continue to improve what we've [already] done."

The panelists enthusiastically described their individual goals for the new

initiatives. Mr. Soloway focused on the need to "access technology quickly." He is very excited about the new Lightning Bolts. He said "internal and external communications are vital to Acquisition Reform. We must focus on performance. We measure success on how well the warfighter's tools work."

Mr. Tookes compared current processes to what they will be after the Lightning Bolts are implemented. "Today we submit data packages for a simple procurement of four to five hundred pages. The Lightning Bolts give us the opportunity to do it with four or five pages."

Mr. Beyland nicely summed up the variety of goals when he pointed out that, "These Lightning Bolts don't stand alone. If you look at all of them, there is a link between each one."

While it might not be a surprise that the leaders are excited about the new initiatives, *Aerospace Acquisition 2000* found that the audience is equally behind the new Lightning Bolts. Brig Gen Craig Weston said the "original Lightning Bolts were tremendously successful. The new set will take the Air Force to the next plateau. I'm 150% behind this effort."

Meredith Murphy, Corporate Director for Government Business & Policy, Boeing, said industry representatives remain "committed to acquisition reform."

Those that have labored hard to elicit change offered the highest praise for the new Lightning Bolts. Jerry Cothran, Acquisition Logistics Chief, HQ USAF/ILMY, and leader for Lightning Bolt 99-7, said this rollout ceremony is the "perfect opportunity to fast track implementation of the product support concept and agile support role. Changes like this are hard to make. The Lightning Bolt

Lightning Bolt 99-3 Update

by Major Martin T. Kendrick,
HQ AFMC/DRI

The Lightning Bolt 99-3 Integrated Product Team has been making considerable strides in developing implementation strategies and plans to establish Market Analysis and Pricing Centers of Expertise at the AFMC Centers. The team, consisting of members from HQ AFMC and seven centers, held a kickoff meeting shortly after the bolts' initial rollout and laid the foundation for organizing and centralizing AFMC market research.

To review, the mission of Lightning Bolt 99-3 is to:

- ➔ Expand the Use of Commercial Item Solutions and the Adoption of Commercial Practices;
- ➔ Support Price-based Acquisition Strategies; and
- ➔ Integrate the Technical, Contracting, and Program Management Functions in the Conduct of Market Research.

Lightning Bolt 99-3 will benefit the AFMC centers because it will link and integrate expertise and resources across the command, which will create smarter and more knowledgeable buyers. It will improve decision-making on alternatives through better knowledge of products and increase overall visibility of the market, which will result in better prices for the Air Force. Implementation of centralized market analysis will improve our ability to forecast future availability of technology, which will facilitate planning for long-range acquisitions.

In order to implement Lightning Bolt 99-3, each product and logistic center will create a Center of Expertise (COE) capitalizing on their specific technology, expertise, and business base (e.g., aeronautical, command and control, etc.). The COEs will gather, organize, analyze, and maintain information on products, best

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Lightning Bolts

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construct will give us the format we need. Not only from top down but also from the bottom up."

The seven Lightning Bolt initiatives have received high praise, but it is still the acquisition workforce that makes the real change and receives the most support. In her closing remarks, Mrs. Druyun charged the acquisition team to "remember our battle cry: better, faster, cheaper! You have our support."

"The acquisition workforce has done a tremendous job over the last four years." — Mrs. Darleen A. Druyun, Principal Deputy Assistant Secretary for Acquisition and Management.



The Lightning Bolts '99 Rollout Team with Mrs. Darleen A. Druyun, Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management. From left to right: Col. Jeanne Sutton, Col. Phil Johnson, Mrs. Druyun, Ms. Dotty Maguire, and Maj. Rob Dare.

ARLC Applauds Success

by Major Dan Brink, SAF/AQXA

WASHINGTON - Lightning Bolts (LBs) and Reinvention Teams (RTs) electrified the landscape at the Acquisition Reform Leadership Council (ARLC) meeting on 30 June. The ARLC, a cross-functional group of senior government and industry representatives, is chartered to strike a course of action that selects and integrates reform efforts to obtain maximum benefits. The ARLC is chaired by Mrs. Darleen Druyun, Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management. Lightning Bolt Champions brought the Council an up-to-the-minute status of the hard-hitting and fast moving Lightning Bolt initiatives. The speed at which these initiatives is being implemented and the promising preliminary results present a convincing argument that acquisition reform can happen quickly and effectively.

The LB champions and leaders have taken up the banner of acquisition reform and are leading the charge. Through LB 99-1, Acquisition Support Teams (ASTs) are standing up across AFMC. These ASTs are the vehicle whereby Superior Source Selections (LB

99-2) and Market Analysis/Pricing Centers of Expertise (LB 99-3) will "reach out and touch" the acquisition community. Alternate Dispute Resolution (LB 99-4) is a real-time capability, with a set of sample agreements easily tailored to PEO portfolio-specific implementation plans. Meanwhile, Contracting Support to the Aerospace Expeditionary Forces (LB 99-5) is racing to reorganize 63 contracting squadrons before the dawn of a new millennium. Improved Payment Process (LB 99-6) and Product Support Partnerships (LB 99-7) are aggressively pursuing new initiatives and relationships.

Reinvention Team leaders put the spotlight on the accomplishments of five of the Reinvention Teams deployed during last year's Acquisition Reform Week III. These included SAF/AQC's Source Selection Process RT that issued new policy and is training the workforce to simplify and shorten source selections. SAF/AQC also leads the Commercial Services RT that is well on its way toward instituting commercial best practices throughout the Air Force. WR-ALC/PK is providing real tools to reduce

Contract Award Cycle Time. See this website to learn all about their one-stop shopping for best practices: www.cacti.robins.af.mil. AFMC/PK is providing tools to identify opportunities for Centralized Sustainment Contracts for spares and repairs. The centralized contracts-decentralized ordering will be an "economic force multiplier," greatly enhancing responsiveness to the warfighter. The SMC-led CAIV/Sustainment in the Requirements Process RT has created a guide that effectively incorporates CAIV and R-TOC into the requirements generation process. Through extensive teaming with AF/XOR, they have created a guide that will assist ORD development, saving money and enabling informed decisions early in the requirements process. The guide is located at <http://ax.losangeles.af.mil/axd/caiv.html>.

Lightning Bolts and Reinvention Teams are proving their effectiveness. As the principles embodied in them are incorporated into the culture, we will see the need for "reinvention" diminish and the opportunities for continuous process improvement abound.

Elsewhere in Acquisition

The Analyze & Integrate Database: AR Information at your Desktop

by TK Kearney SAF/AQXA (ANSER)

The startup work on the new Analyze & Integrate (A&I) Database is complete and is now web-available. It pulls together Acquisition Reform information from across the Air Force in a user-friendly tool that can serve as a springboard for new initiatives. Over the past five years we've witnessed Lightning Bolts, Reinvention Teams, IPTs, and countless organizational initiatives that have each made their individual contribution to Acquisition Reform. Actually, we haven't so much witnessed these improvements as we have lived them. We have become familiar with reform and perhaps even comfortable with it. We are surrounded by an explosion of ideas that offers us new and better ways to do our jobs. This will continue.

The very nature of reform is using new ideas to fix things. In a healthy environment, ideas for improvement will come from every level of an organization. In an even healthier environment, there will be more ideas than any one person can keep at her/his fingertips. Luckily, that is where we find ourselves today with Acquisition Reform. The good ideas keep pouring in faster than they can be put into effect and that is where the A&I Database comes into play.

Colonel Bill Selah, Dean, Research, Consulting, and Information Dissemination, DSMC, while still the Chief, Acquisition Management Policy Division, Office of the Deputy Assistant Secretary (Management Policy & Program Integration), recognized this proliferation of ideas and began tracking them. The initial results showed that while there were literally hundreds of ideas being generated, there was no comprehensive cataloging of reform efforts across the Air

Force. He asked his people to tackle this issue and over the course of a few months they developed the first prototype of the Analyze & Integrate Database.

The A&I database is a searchable database consisting of current acquisition reform suggestions, previous reform suggestions, current acquisition reform efforts, Air Force reporting requirements, and other forcing functions. Although this is quite a mouthful, the database itself is a user-friendly tool that places a wealth of information at the user's fingertips. The current reform suggestions are entered into the database primarily from inputs via the web survey www.safaq.hq.af.mil/acq_ref/aid/survey.html or through e-mails to arideas@pentagon.af.mil. The previous reform suggestions were collected in various ways over a period of several months and became the cornerstone for the database. Today when you use the database, the distinction between current and earlier suggestions is transparent for search purposes.

One of the key uses of the database is to provide an index of the ongoing reform efforts such as Lightning Bolts and Reinvention Teams. This powerful feature is very helpful to individuals and organizations that are focusing on improving their processes. It gives them an insight into who has been working on similar issues. This can save valuable time and resources by cutting down on the number of times a wheel is invented. But as useful as the database is, it has to be easily accessible if it is to make a difference. By placing the A&I Database on the web, every acquisition professional has the opportunity to become a working member of an Air Force-wide IPT.

The A&I database has the potential

to become the 'Funk and Wagnalls' of information on Acquisition Reform. This, of course, will only happen if is helpful to the users and remains current. Fortunately, it is virtually impossible to stop the flow of new ideas into the database. The real challenge will be to keep it responsive to the user. It's crystal clear that there are more good ideas just waiting for someone to listen to them. This undoubtedly applies to the database, too. If you have a suggestion on how to make the database more responsive to your needs, we encourage you to take a few minutes and put your thoughts into an e-mail and send it along to arideas@pentagon.af.mil.

The A&I Database is located at http://www.safaq.hq.af.mil/acq_ref/aid/index.html

Reduction in Total Ownership Cost (R-TOC) Materials Available

Reduction in Total Ownership Cost (R-TOC)...What is it? Why is it? And, where is it?

The SAF/AQCT office has prepared a six-panel brochure, a pocket guide, two videos, and a guidebook that answers these and many other questions about the *Reduction in Total Ownership Cost* program.

Copies are available through SAF/AQCT by calling Ms. Amy Thode at (703) 588-6202 (DSN 425-6202). You may also e-mail your request to amy.thode@pentagon.af.mil.

FORMER AIR FORCE SECRETARY: LAI "KEY" TO ACQUISITION REFORM

by Sue Baker, ASC Office of Public Affairs

WRIGHT-PATTERSON AIR FORCE BASE, Ohio — The Lean Aerospace Initiative (LAI) — which began in 1993 at Aeronautical Systems Center (ASC) to cut the costs of acquiring new aerospace systems for the Department of Defense (DoD) while increasing their performance — is "absolutely key to continued acquisition reform," according to LAI Executive Board Co-Chair Dr. Sheila Widnall.

"LAI speaks directly to the kinds of changes that have to happen, both in our aerospace industrial base, as well as on the customer side — kind of a 'lean customer philosophy' — which translates directly into acquisition reform," said Dr. Widnall, former Secretary of the Air Force, who returned to the Massachusetts Institute of Technology (MIT) aerospace engineering faculty last year.

"We are really catalytic," Dr. Widnall said. "The education of students is a very important part of LAI — it's really transitioning aerospace engineering education, because we have a view that our students should be responsible, in some sense, for the totality of issues facing the aerospace industry."

"We are producing a new generation of graduate students who will play roles within the government — quite a number of military officers — or within their corporations, who have received an education that is distinctly different from the way that engineers have been trained in the past," Dr. Widnall said. "They will look at things more from a systems point of view, and they will have better understanding about the workings of a company — both the people, financial, and corporate side, as well as the specific, technical issues they are charged to work."

Such a total perspective is critical to the future success of LAI and its defense aerospace partners on their shared journey toward lean, according to Dr. Widnall. "It's very much adopting a systems point of view; it's understanding

how a complex system is made up of many, many disciplines that come together to perform a particular mission; and it's working in teams."

"Aerospace systems are almost unique in the multiple time-scale technologies that are involved," Dr. Widnall said. "For example, keeping a system like the B-52 — which I worked on when I was a freshman in college — viable and on the leading edge for its entire life is extremely challenging. Everyone knows computers churn over every couple of years, and avionics at maybe slightly slower rate, but airframes can last — so that creates unique challenges for the requirements community, the design team that has to put a system together, and people who have to think about life-cycle costs and upgrading."

"There are a lot of very exciting issues that are brought out when we talk about LAI — we talk about product development, about relationships with suppliers, and I think those areas just illuminate those issues," Dr. Widnall said. "For me, it's intellectually very satisfying to come back from my involvement with the Air Force and be able to share those perspectives with the graduate students and faculty, so they have a broader appreciation for the total system and the issues that it's facing. I think I can share those perspectives as my contribution to their learning."



LAI Executive Board Co-Chair Dr. Sheila Widnall with incoming LAI graduate student Air Force Lt. Brandon Wood, who will be working with the Test and Space Operations team.

The inclusion of the space sector in LAI in late 1997 was a landmark for the program, according to Dr. Widnall. "I count the integration of the space sector a major accomplishment for LAI," she said. "So, in addition to having the participation of ASC, we now also have Space and Missile Command, and good industrial partners, all of which equals a serious effort involved in space."

Another success: significant input into policy development in 1998 at the Office of the Secretary of Defense (OSD) level, said Dr. Widnall. "This came from the research that Maj. Ross McNutt did for his doctoral degree, having to do with reducing cycle-times, which fed directly into the DSAC cycle time reduction task force. I obviously believe that making an input into policy development is partly a matter of time and momentum — in that particular area, we have both the timing and the momentum to really make a contribution."

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LAI "KEY" TO ACQUISITION REFORM

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"People keep saying that lean is a journey," Dr. Widnall said. "There are people — and I would probably count myself among them — who believe that change is fundamentally good, and that any organization needs to change. Developing these underlying principles of lean, and continuing to challenge people to try new things, and also to do it in a way that is affordable — that is one of the keys to lean."

"We all know that change takes time. But if we don't really focus on change — and get complacent about what we're doing — I think the organization will get very stale," Dr. Widnall said. "We also know we don't have the budget to do things the way we've always done them — but at the same time, we have some wonderful opportunities to become more effective."

"We're focusing on life-cycle costing in a way we probably haven't in the past," Dr. Widnall said. "That brings in these issues of technology upgrade — what is the total cost of a system? When you develop a product initially, have you thought about how it will be upgraded, maintained, have a life, like the B-52. How do you make a system viable for that long?"

"I have no reason to think that there are going to be dramatic increases in the defense budget," Dr. Widnall said. "You can count on the fingers of one hand the number of new, major systems coming along. But there also is a plethora of smaller systems — communications, computer, and navigation systems, and all the upgrades to any given platform — and a wealth of opportunity to improve the technology that the military uses to make it more effective. So, yes, lean practices, when applied to these

efforts, very much relate to the bottom line of military readiness."

The LAI effort is a long-term process, according to Dr. Widnall. "When Secretary William Perry set us on a course toward acquisition reform, I think he knew it was going to take a long time. It is an issue that demands continual attention and work. What I have found most effective is to just approach each new challenge as a kind of pilot program."

"I think that's where we've made some of our biggest strides — in the C-17, for example," Dr. Widnall said. "We pulled success out of crisis, dealt with a specific issue, and conceived a framework through which to solve the issues that emerged on the C-17 program."

"We started CEO meetings on the C-17 twice a year — with everybody coming together to review the program, to get commitment at a high level, with the top leadership of all the organizations fully dedicated to seeing costs and defects going down, and improvements going up," Dr. Widnall explained.

"Fortunately, Congress was very receptive to our innovative, multi-year contract proposal for C-17," Dr. Widnall said. "We needed stability in the program, reduced price and unit cost, and I think Congress listened to that need."

"We accomplished two things: we dramatically fixed the program, and we learned something," she said. "We learned about working together; we learned about cooperative, rather than adversarial relationships; we learned about contract incentives, cost-and benefit-sharing, multi-year contracts, and benefits in working with suppliers on long-lead items. Out of that experience came a whole lot of lessons."

While the Air Force of the past 50

years has been mainly concerned with acquiring ground-based and airborne systems, today's service is transitioning from an air environment to a space frontier, where Dr. Widnall sees additional, unique challenges.

"We accomplished two things: we dramatically fixed the program, and we learned something." - Dr. Sheila Widnall

"We are about to go into a space-launch arena, via the Exploratory, Evolved Launch Vehicle (EELV) program," she said. "Space launch is a field that has a time-scale on the order of 10 years, so I'd say we need to make some kind of forward commitment that the U.S. government will be launching military satellites in the year 2007. We need to be making long-term leases for launchpads and privatization — to have our contractors construct, operate, and maintain launch facilities they will also run for other commercial launch purposes."

In the final equation, LAI — and the lessons it can teach the Air Force and its government, industry, and academic partners — "really comes down to readiness," according to Dr. Widnall.

"I think the case to be made is one of efficiency and effectiveness," Dr. Widnall said.

"Given the budget shortfalls, and the continuing pressures on the defense budget, we will continue to get a good hearing in Congress from those members who are concerned about military readiness."

"In the end, it all comes down to readiness — being able to prepare for the future and fund the present," Dr. Widnall said. "Money saved across any of those dimensions — especially through the use of LAI principles and practices — will strengthen our forces."

"This [Lightning Bolts '99] is a reaffirmation of our commitment to acquisition reform...in our Air Force we're committed to innovation." - Gen Ed Eberhart, Former Vice Chief of Staff, USAF

Oral Presentations In Source Selections — Some Lessons Learned

by Lt Col Mark Kain, SMC/TEO

Editor's note: The 1999 Space Test and Engineering Contract Source Selection Team has been selected as the winner of the 1998 Air Force Value Engineering Award in the Procuring Contracting Office/ Administrative Contracting Office category.

Kirkland AFB, NM — Want to become an expert on using oral presentations in source selections in under six months? Just be one of the first Source Selection Evaluation Team Chiefs to use a new revision of the Federal Acquisition Regulations (FAR), the FAR Part 15 rewrite which became mandatory in January, 1998. The source selection for the Space Test and Engineering Contract (STEC) at SMC/TEO, Kirtland AFB NM, lasted from January to July 1998. This contract was for highly specialized satellite operations and ground system engineering services. Oral presentations were an expeditious way to get the technical proposal information to the evaluation team. The oral presentations also allowed the evaluation team a personal look at the offerors' management teams. Read on for a rare personal account of the lessons we learned about oral presentations on this trend-setting source selection.

Late in 1997 my boss asked me to lead the STEC source selection. I had never participated directly on a source selection team but had heard the rumors about long days, nights, and weekends. So I knew I was facing a challenge. The contracting officers started piling binders of the FAR on my desk to help me "get up to speed," and I started reading. About the time I was starting to understand the regulations, they took them all away and gave me new ones. "Sorry," they said, "we just had a major revision."

Using the new guidance, I created our team of "volunteers" and started our journey. Along the way, we attended satellite broadcast training on acquisition reform and oral presentations. We were hooked! As we researched lessons learned from previous source selections, it seemed that most oral presentations

were used to merely augment written technical proposals. This approach seemed redundant and time-consuming, so we decided to use the oral presentations as the bulk of the technical proposals. We also planned for a question and answer session following the oral presentations and some "pop scenario questions," or case studies, for the offerors to answer after a short caucus.

Over the course of the source selection and afterward, we documented our lessons learned. Those lessons include:

- ➔ Consider entering "discussions" (in-depth give-and-take after which contractors are allowed to change their proposals) from the start.
- ➔ Determine in advance how to document modifications to oral presentations.
- ➔ Restrict presenters to contract participants only.
- ➔ Consider having a subjective evaluation factor on the team's responsiveness, flexibility, teamwork, etc., as exhibited during the oral presentation.
- ➔ Plan at least a day (two if possible) between presentations.
- ➔ Use "pop" scenario questions and provide an example question and answer.

One of the tenets of acquisition reform is to enhance candid "exchanges" between the offerors and the government. Unfortunately, since we had planned to "award without discussions" if at all possible, we were limited to exchanges in the nature of "clarification" during our question-and-answer period after the presentations. By definition, "clarifications" allow an offeror to explain what they have offered, but not change or enhance it. This approach proved virtually useless in assisting us to determine the technical merit of the proposals.

Although we met with our legal support prior and thought we understood "clarifications," we didn't really get a feel for the full impact of the limitation

until after the first question-and-answer period. Our question-and-answer sessions were quite short (less than ½ hour), since our team could only ask clarification questions. In hindsight, we should have simply entered "discussions" (more in-depth exchange which permits offerors to change their proposals) from the start. We did enter into discussions later.

If a team wants to ask the offerors questions about their presentations, I recommend they plan for a government caucus (including contracting and legal support) after the offerors' prepared presentations. This caucus allows the team to formulate and review the questions and to review the mechanics of how the questions will be delivered and further clarified.

Finally, if a team uses oral presentations as part of the offerors' proposals, they should determine and advertise in advance if, when, and how oral presentations will be "modified" and "revised" as necessary over the course of the process. We used our notes to document changes related to the oral presentations. This worked well; we just would have been more comfortable if we had thought through this process earlier in our planning.

Since we wanted to see the offerors' actual managers for the contract in person at the oral presentations, we severely limited the total number of presenters, thereby eliminating for the most part, company "officials" and professional briefers from presenting. This restriction enabled us to assess an offeror's technical ability and get a feel for the ability of the offeror's proposed project team to work smoothly and competently. By this I mean things like the offeror's responsiveness, flexibility, and teamwork throughout the course of the source selection.

If a source selection team's contracting and legal support will endorse it, the

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Source Selections

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team should consider a low-weighted evaluation factor for this area.

Planning a day (or days) between oral presentations is essential. Even though we had videotapes to review, it was much quicker and easier to make initial assessments and evaluations immediately after the oral presentations. Because of our schedule crunch (plan on it), we were only able to schedule single days between presentations. Two days would have been better; one to two to evaluate the previous presentation, and at least a half day to prepare for the next presentation.

Our goal in providing "pop quiz" scenario questions was to further delineate between offerors and to make sure they really knew satellite operations. We wanted to confirm the teams did not merely do a lot of homework, but they had "been there" and "done it." We

didn't have any guidance on how to conduct our pop questions, and knew the offerors were anxious about them. To reduce contractor anxiety, we gave one question in advance in the Request For Proposal (RFP). We handed the teams the pop questions after their prepared presentation and provided them markers and clear acetate sheets to create simple visual aids for their briefed responses.

This source selection was extremely challenging and educational for every team member.

Overall we were quite happy with the process and the results. The process might have worked better if we had given the offerors a better idea of the depth expected in the answers – perhaps an example question and answer. In some instances, the presentation team answered

quickly at a summary level, not using all their allocated time, or achieving the depth we had hoped for. We handled these situations through subsequent discussions.

To make a long story not quite as long, we survived a very competitive source selection with no protests. Oral presentations are challenging, but every source selection team – especially those for technical services contracts – should consider oral presentations. Even though the pre-evaluation preparations may have been longer and more difficult than those for a source selection without oral presentations, the overall evaluation time was reduced. We felt oral presentations allowed for a better assessment of the offerors' technical and management capabilities.

This source selection was extremely challenging and educational for every team member. If you've never participated in one, I would highly recommend it! But be forewarned—those rumors about the long hours are true!

THE HOT LINES

The Services and OSD have hundreds of individuals working constantly, it seems, on reforming the acquisition process. Web sites, e-mail addresses, and phone numbers abound, but if you're in a pinch, or just not sure who you need to talk to, use this quick guide as a handy reference.

OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION REFORM).

MAIN NUMBER: (703) 614-3882. WEB SITE: WWW.ACQ.OSD.MIL/AR

AIR FORCE ACQUISITION MANAGEMENT POLICY DIVISION.

MAIN NUMBER: (703) 558-7110. WEB SITE: WWW.SAFAQ.HQ.AF.MIL/ACQ_REF/

ARMY ACQUISITION REFORM DIRECTORATE.

MAIN NUMBER: (703) 681-7577. WEB SITE: WWW.ACQNET.SARDA.ARMY.MIL/ACQREF/DEFAULT.HTM

NAVY ACQUISITION REFORM OFFICE.

MAIN NUMBER: (703) 695-6315. WEB SITE: WWW.ACQ-REF.NAVY.MIL

Air Force Wins Two Packard Awards

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\$35,500. By incorporating these low-cost suggestions, the Hunley Park Military Family Housing Renovation Team significantly improved the quality of life in these homes for a cost growth of less than .06%.

The Hunley Park Military Family Housing Renovation Team's creative streamlining and quality improvement approaches gave the Government a maximum return on investment while significantly improving the quality of Air Force life for Hunley Park residents.

Other winners of this year's Packard Award were the United States Marine Corps Assault Amphibious Vehicle Reliability and Maintainability/Rebuild to Standard Team, the United States Army Joint Program Office for Biological Defense Portal Shield Team, and the Defense Logistics Agency Defense Contract Management Command St. Louis Plant Clearance Team.

During the same ceremony, Dr. Gansler recognized The Advanced Medium Range Air-to Air Missile (AMRAAM) Vision 2000 Team and the F-117 Acquisition Reform Team as Defense Acquisition Execution Certificate of Achievement winners.

Congratulations to all four of our outstanding Air Force acquisition award winners. These teams are just a few of the innovative change-makers that are finding better, faster, and cheaper ways within the Air Force.

If your team is one of the change-makers that is accelerating the acquisition revolution, we encourage you to submit an Air Force Acquisition Reform Success Story to arideas@pentagon.af.mil.

"We have an opportunity with the Lightning Bolts to inspire and motivate our most imaginative and innovative people to find ways to cut through what is normally a slow and cumbersome ...process, to reach the objectives of those programs in a much more efficient and effective way." -

Lt Gen Gregory S. Martin,
Principal Deputy
Assistant Secretary
(Acquisition)



Lightning Bolt 99-3

(continued from page 4)

practices, prices, and technologies in these areas. The information each COE is responsible for will be aligned with the centers product line structure. The Centers of Expertise will be manned by multi-functional teams at each center that will integrate its activities with the center's Acquisition Support Team, providing a one-stop shop for pre-award activities.

The Lightning Bolt 99-3 IPT has developed a phased approach to implement LB 99-3 from initiation to full implementation. Phase 0, Implementation Development, is the phase that the IPT is currently in and will continue until 1 Oct 99. During this phase the Centers will develop their implementation plans and CONOPs, define their areas of expertise, select pilot programs, identify resources and organizational structure, and conduct initial COE training. Phase I, Pilot Programs & Assessment, will begin at FOC on 1 Oct 99 and continue for a year. During this phase the selected pilot programs will be assessed and appropriate course adjustments made. This period will provide the centers an opportunity to discover which methods work best, as well as make improvements and refine processes. Phase II will begin on 1 Oct 00 with full implementation of market analysis across all areas of expertise within the centers.

FAR Part 10 requires that market research be conducted to determine if requirements can be met through commercial item acquisition. The Market Research and Pricing COEs will formalize the conduct of these market research activities enabling the acquisition community to better take advantage of the commercial marketplace and utilize "best acquisition practices" in the DoD acquisition process. Implementation plans are currently being developed for the Centers of Expertise to begin market analysis on the pilot programs as early as the start of the next fiscal year. The ongoing efforts to bring Lightning Bolt 99-3 to reality will benefit both the acquisition community and the warfighters by providing an integrated market research capability across the Air Force.

Please send comments, questions, articles, and success stories to:

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The SAF/AQ Vision

"An innovative team of professionals leading the Air Force in partnership with industry and the other services to rapidly equip America's warfighters with effective and affordable combat systems."

The SAF/AQ Mission

"Provide the leadership, direction, policy, and resources to acquire superior systems, supplies, and services to accomplish the Air Force mission."

The Office of the Assistant Secretary of the Air Force (Acquisition) is responsible for the overall supervision of the Air Force acquisition system.

Leading and Embracing Change —
A New Millennium!
